hands of the holding company?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Under section 115JA of the Income-tax Act, the provisions of Minimum Alternate Tax is not attracted in respect of income referred to in Chapter III of the Income-tax Act, which now includes income by way of dividends.

(b) There is no need for any amendment in view of the position of law as stated at (a) above.

Show Cause Notices to Banks Employees of Delhi

2871. SHRI JAI PRAKASH (HARDOI):

SHRI JAI PRAKASH AGGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news item captioned "CBI Ne karoron Ki jaalsaaji pakri, 4 giraftar" appearing in the Current News dated 5.3.1997;

(b) if so, the details thereof;

(c) whether the Central Vigilance Commission have detected certain cases of corruption and irregularities in the banking system in the National Capital Territory of Delhi during the last three years;

(d) if so, the details thereof; and

(e) the number of cases registered so far in this regard and the steps taken by the Government to check the cases of corruption in the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) Central Bureau of Investigation (CBI) have reported that they have registered two cases in September, 1996 and December, 1996 pertaining to frauds in Bhore branch and Daraundha branch of Canara Bank in Bihar. CBI have conducted raids and also arrested six persons including three employees of Canara Bank. According to information furnished by Canara Bank, some miscreants in connivance with employees of the bank had stolen 48 demand draft leaves from the Daraundha branch and Bhore branch of the bank. Subsequently, 20 demand drafts were fraudulently encashed by the miscreants at four branches of the bank involving an amount of Rs. 100 lakhs. The miscreants also attempted to encash two demand drafts amounting of Rs. 10 lakhs from the bank's account section, Mumbai. However, the fraud was averted. The bank has placed three employees under suspension. An amount of Rs. 22.30 lakhs has been recovered by the bank.

(c) to (e) The Central Vigilance Commission (CVC) advises the appropriate disciplinary authority regarding suitable action to be taken against a public servant concerned where it appears after a preliminary enquiry that a public servant had acted or refrained from acting, for an improper or corrupt purpose. It can also have an inquiry made into any transaction in which a public servant is suspected or alleged to have acted for an improper purpose or in a corrupt manner or into any complaint that a public servant had exercised or refrained from exercising his powers with an improper or corrupt motive or into any complaint of misconduct or lack of integrity or of any malpractice or misdemeanour on the part of a public servant. All public sector banks have vigilance machinery which is headed by a Chief Vigilance Officer appointed by the Government in consultation with the Central Vigilance Commission. The vigilance machinery is responsible for taking preventive and detective steps so as to prevent frauds and corrupt practices by the bank officials.

As per the information readily available number of frauds detected in public sector banks during 1994, 1995 and 1996 are 2266, 1890 and 1954 respectively.

The banks have already laid down various systems, rules, norms and procedures for sanction and disbursal of loans and advances which are also supplemented through various instructions, besides prescribing distinct and definite guidelines on lending powers and use of discretionary authority at various levels. There is also a system of regular and short inspection/audit of branches/offices of the banks with a view ot exercising effective supervision and control over the use of discretionary power of lending.

Price of Parazynamide

2872. SHRI AJAY CHAKRABORTY: Will the Minister of FINANCE be pleased to state:

(a) the landed price per Kg. of imported parazynamide during last three months at Bombay Port;

(b) the landed price per Kg. of parazynamide on import of 2-Cynopyrizine during last three months;

(c) whether CVD has been imposed on 2-Cynopyrazine and not on parazynamide whereby making imports of final product payrazynamide lucorative and killing the indegenous industry; and

(d) the reasons therefor and the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The landed price of parazynamide imported during last three months at Bombay Port has been in the range of Rs. 2200/- per kg.

(b) The landed price of 2-Cynopyrazine imported during last three months has been in the range of Rs.2008/- per Kg.

(c) and (d) CVD is leviable on 2-Cynopyrazine, but is